

READINESS OF SRI LANKAN BANKS IN TERMS OF IT DISASTER RECOVERY

By

A L Fernando

Supervised by

Dr. P Ramachandran

The Dissertation was submitted to the Department of Management of Technology of the University of Moratuwa in partial fulfillment of the requirement for the Degree of Master of Business Administration.

Department of Management of Technology

University of Moratuwa

December 2008

92419

Abstract

Information Technology has become a vital factor in the financial industry and over the years banks have become increasingly dependant on IT for its infrastructure and operational requirements. The objective of this study is to analyze the readiness of Sri Lankan banks to recover from a disaster and to examine the critical success factors which affect the successful implementation of a Disaster Recovery Plan.

For evaluating the DR readiness a model published by DRI International is used. It includes six phases namely Project Initiation [PI], Functional Requirements [FR], Design & Development [DD], Implementation [IM], Testing [TP], Maintenance [MR] with a number of attributes for each phase. Factors used by Wing (2000) to identify Success factors for IS disaster recovery in Hong Kong was used to identify Critical Success Factors in this study.

The first objective will give stakeholders of banks an overall picture of disaster recovery readiness while the second will enable Disaster Recovery Plan implementers to focus more on factors that will spell success to their project. The research is an empirical one and the data was collected through a questionnaire from IT executives involved in Disaster Recovery from the 11 domestic commercial banks. A formal statistical analysis, the Analysis of Variance (ANOVA) was used to analyze the data collected. Major findings of the study are that banks have implemented a DR plan with high ranking for the first three phases namely PI, FR and DD. However they are weak in the areas of TP and MR. Critical Success Factors such as top management commitment is highlighted in the study. These factors have been analyzed in detail. Recommendations have been made relating to areas which banks are lagging behind.